

Map 7

106

Next Generation Network Rollout in the United States Estimated by County

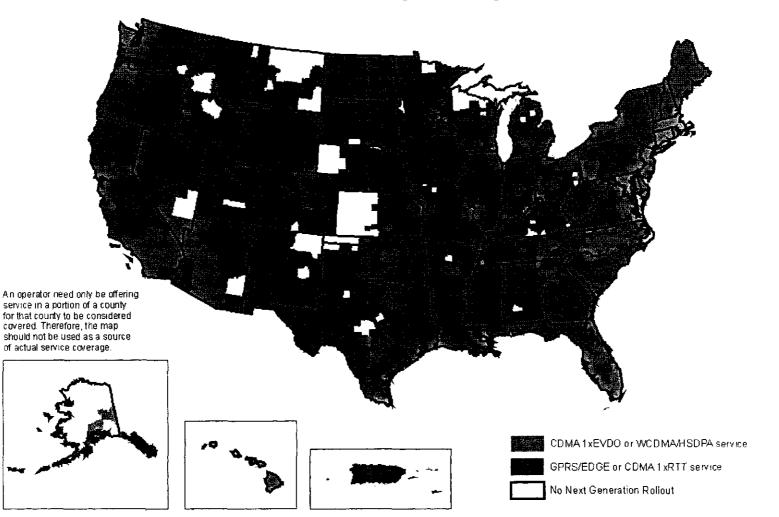
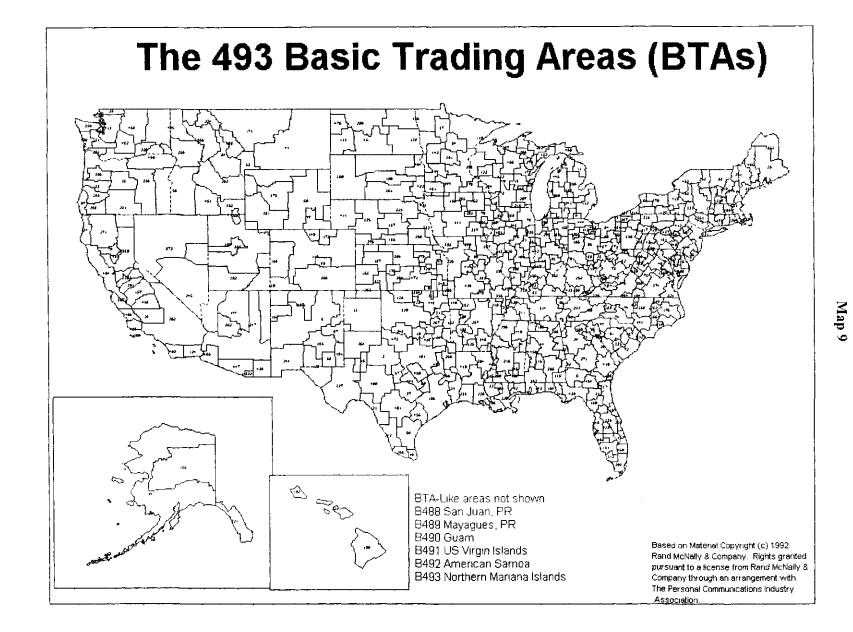
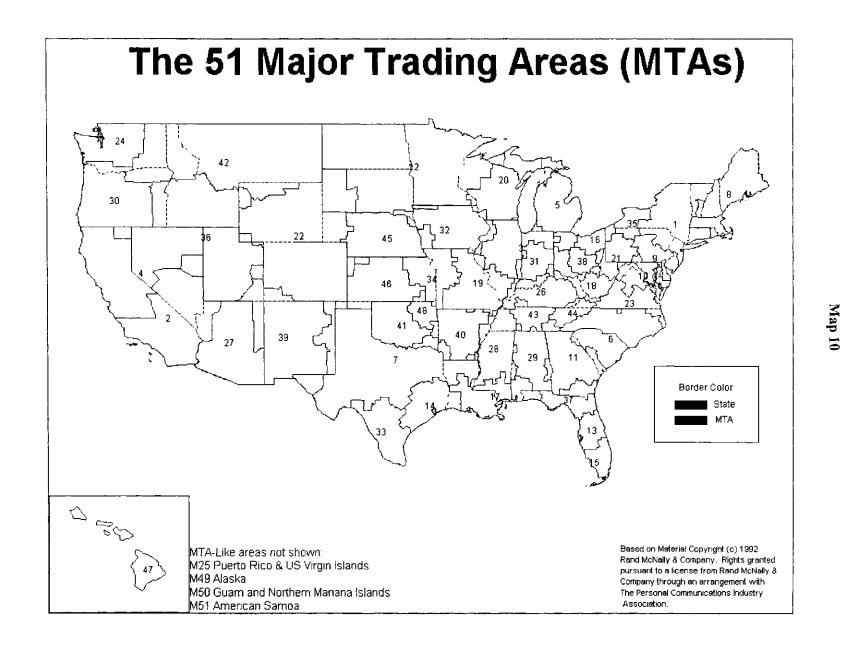
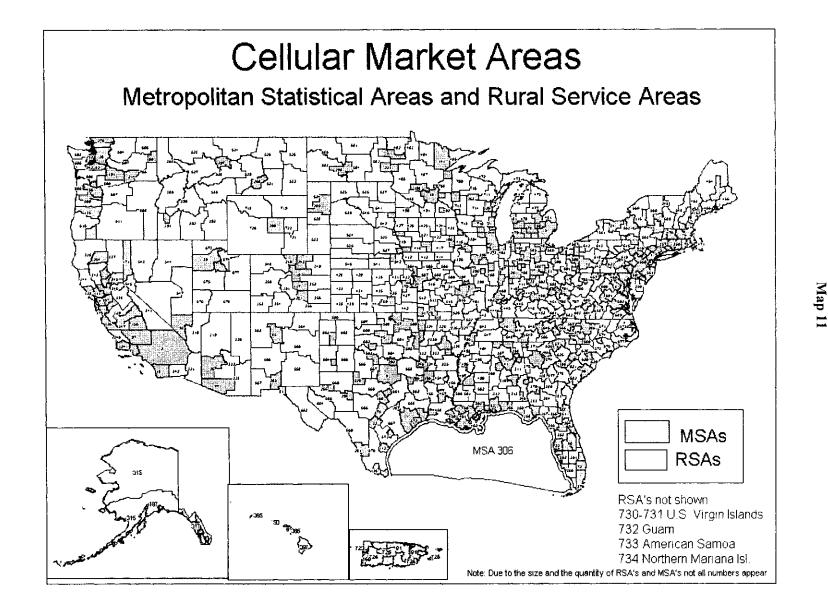


Table 1: Geographic Licensing Schemes

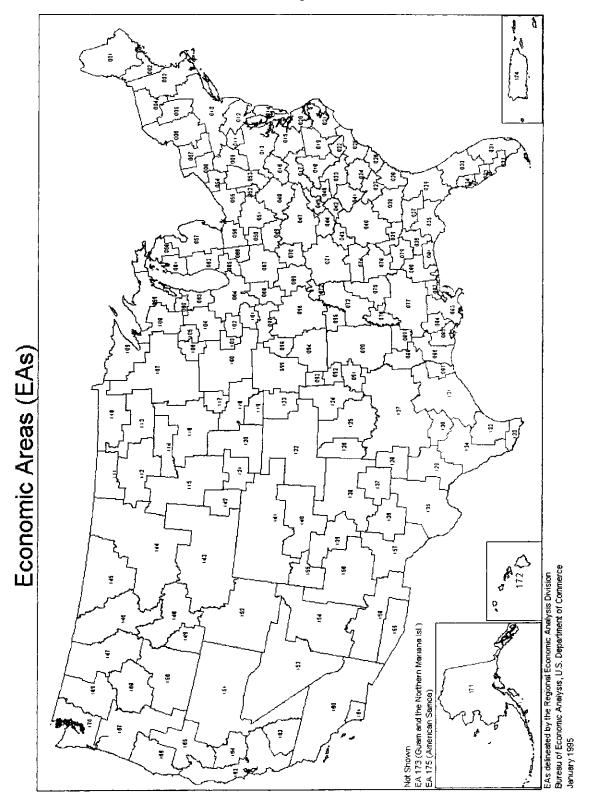
Geographic Licensing Schemes	Number of Market	Note
Basic Trading Areas (BTAs)	Areas 493	BTAs make up MTAs
Major Trading Areas (MTAs)	51	DIAS make up MIAS
		Also known as MSAs
Cellular Market Areas (CMAs)	734	and RSAs
Economic Areas (EAs)	175	







Map 12



APPENDIX C

List of Commenters

Comments
Cellular South, Inc
CTIA – The Wireless Association
Leap Wireless International, Inc
Mobile Satellite Ventures Subsidiary LLC
National Telecommunications Cooperative Association ("NTCA")
RSA 1 Limited Partnership dba Cellular 29 Plus & Iowa RSA 2 Limited Partnership ("Cellular 29")
Southern Communications Services, Inc dba SouthernLINC Wireless
Texas RSA 7B3, Inc dba People Wireless ("People Wireless")

Replies to Comments
Cingular Wireless LLC
National Telecommunications Cooperative Association
Rural Telecommunications Group, Inc ("RTG")
T-Mobile USA, Inc ("T-Mobile")
Virgin Mobile, USA, LLC ("Virgin Mobil")

STATEMENT OF CHAIRMAN KEVIN J MARTIN

Re Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, FCC 06-142

This year's Competition Report demonstrates that the competitive marketplace for wireless services is continuing to bring consumers more choice, better services, and lower prices. The number of minutes of use went up 27 percent in 2005 and the price paid by consumers for each of those minutes went down by 27 percent. Ninety-eight percent of the total U.S. population lives in counties with access to three or more different operators offering mobile telephone service, which is higher than in any previous year. Wireless subscribership has grown with usage. Approximately 28 million additional wireless subscribers signed up in 2005, bringing the total to 213 million subscribers and increasing the nationwide penetration rate to 71 percent.

In addition, new and innovative wireless broadband services are being deployed throughout the country on a competitive basis. Nationwide and regional carriers have deployed EV-DO, a technology that is available to nearly two-thirds of the U.S. population. In response to these EV-DO deployments, a nationwide carrier has launched a rival wireless broadband network using a technology called HSDPA. These developments are only the beginning — I expect deployment of innovative wireless broadband networks will accelerate now that the Commission has completed its auction of spectrum for advanced wireless services.

Competition among mobile telephone carriers has lowered the price consumers pay for mobile telephone service, stimulating rapid subscriber growth and greater usage of mobile phones. Competition has also encouraged mobile telephone carriers to improve service quality and to begin deploying significantly faster broadband technologies on their networks. These results demonstrate how a competitive marketplace – rather than economic regulation – provides the greatest benefits to the American consumer.

CONCURRING STATEMENT OF COMMISSIONER MICHAEL J. COPPS

Re Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, Eleventh Report

As in previous years, I concur in this year's CMRS Competition Report I want to begin by repeating my observation that the quality of our reports is improving and by thanking the Bureau staff for their hard work in producing the item we release today I am pleased the Commission is devoting more resources to fulfilling Congress's mandate that we review and analyze the competitive conditions for commercial mobile services

I only concur because we still have a long way to go to meet the mandate of Congress to analyze whether there is "effective competition" in the mobile services market. As in years past, we do not provide an adequate definition of the term. The need for a clearly-stated, objectively-measurable definition of "effective competition" gets more compelling every year. Today's report is the first to incorporate data reflecting the move from five to four national carriers (brought about by the Sprint-Nextel merger). Our conclusion that competition remains effective post-merger would be more credible if we had defined that term ahead of time and *then* assessed whether current competition data meets our definition. Instead, we come at the problem backwards—gathering some data throughout the year and, when report time rolls around, letting the data drive us to an undefined conclusion that competition is present. Not only does this *ad hoc* process lack methodological discipline, but it leaves consumers, industry, and Congress with no clear idea of how this Commission will react to further changes in the market.

I also believe that any credible definition of "effective competition" must take account of the effects arising out of the cross-ownership of wireless and wireline companies. In this era of convergence, we often hear that new technologies will bring competition to markets currently dominated by incumbents. But what about when the same company or companies dominate both the new and the old markets? Will a parent company really allow a subsidiary to introduce products that cannibalize existing revenue streams? I expect that this issue will become increasingly important in the wireless industry—especially with the next generation of broadband services—and I hope that future CMRS reports will take account of it

I am also concerned about our cursory examination of whether wireless customers have access to product information that allows them to make suitable buying decisions. This, too, is part of competition. So many consumers who I meet have complaints about their wireless bills. It is instructive that a number of states have taken steps, or are considering doing so, to address this problem legislatively. Moreover, we continue to receive a significant (albeit declining) number of consumer complaints each quarter, around half of which concern billing and rate issues. All this indicates that further investigation is warranted, and I hope next year's report addresses this particular question in greater depth.

Finally, we really need to develop new methods to measure coverage in rural areas. As today's report acknowledges, one important flaw in our present methodology is the assumption that if one part of a county (such as an interstate highway) receives coverage, then every part of the county receives coverage. Though gathering more granular data may be difficult, I think we need to investigate whether a sampling methodology may be appropriate. The present method distorts reality

So that's the path I'd like to see us embark on for the next report. Nothing that I have said should detract from the good stories that our mobile industry has to report, including growing subscribership and

dramatically increasing minutes of use We need to monitor and study all these developments accurately and in their many ramifications in order to make sure that consumers can reap maximum benefits from the successes of this dynamic industry

STATEMENT OF COMMISSIONER DEBORAH TAYLOR TATE

Re Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, Eleventh Report

Congress requires the Commission to report annually on the state of competition in Commercial Mobile Radio Services (CMRS), and I believe that today's report shows a healthy and competitive wireless industry. Wireless technology has become a vital part of the world economy. According to CTIA, in the first six months of 2006 alone, more than \$10 billion dollars was invested in the wireless industry. U.S. consumers have adopted wireless technologies at a breathtaking pace. As today's report indicates, as of December 2005, there were approximately 213 million mobile telephone subscribers, which translates into a nationwide penetration rate of approximately 71 percent.

Wireless telephones are becoming even more versatile. For instance, several companies have recently partnered with cellular carriers to provide news, sports, and entertainment television clips to your cell phone. Others have announced special phone services for kids so that parents can track their child's location. Consumers continue to increase their use of mobile telephones for voice and data services. The average amount of time U.S. mobile subscribers spend talking on their mobile phones rose to 740 minutes per month in the second half of 2005, an increase of more than 120 minutes from a year earlier.

I also am particularly pleased that this report highlights the growth of broadband data services provided by wireless providers. With the recently auctioned advanced wireless spectrum, I know that this trend will only compound. I am also intrigued by the developments in creating mesh broadband networks using unlicensed portions of the spectrum. It is important to see that wireless broadband continues to develop in order to present an additional viable option to consumers, not only in core "lead" markets, but across the entire nation

Finally, I would like to provide some feedback to the wireless industry My colleagues and I are keenly aware of how important communications technologies are when public safety or homeland security concerns become paramount. I commend the wireless industry for the role it has played regarding public safety and encourage CMRS carriers' to continue to work with federal and state entities on these critical matters. Moreover, I am pleased that wireless informal complaints have decreased from 4,616 in the first quarter of 2006 to 4,050 in the second quarter of 2006, but encourage that more consumer friendly policies be examined. As an FCC Commissioner, I encourage the wireless industry to continue to innovate and create the next great new product. In particular, I hope the industry continues to play a role in the deployment of broadband to more consumers. Wireless providers will be critical to getting broadband out to that last, most difficult mile.

STATEMENT OF COMMISSIONER ROBERT M McDOWELL

Re Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, Eleventh Report, WT Docket No 06-17

First, many thanks to the staff of the Wireless Telecommunications Bureau for this fine effort This report and analysis is thoughtful and comprehensive, and I appreciate your careful attention and hard work

With respect to the substance, I am particularly pleased to see so many positive developments in the wireless sector. Over the last 13 years, wireless subscriber growth has grown exponentially and competition among numerous providers has flourished. Ninety-eight percent of the total U.S. population continues to live in counties where three or more different operators compete to offer wireless service, while nearly 94 percent of the U.S. population continues to live in counties with four or more different operators competing to offer service. Consumers have benefited from this competition – new services abound and prices have declined

The overall wireless penetration rate in our country is now at 71 percent – and our report notes one analyst's view that just about everyone between the ages of 20 and 49 has a wireless phone Moreover, innovative broadband services using advanced technologies allow customers to use new multimedia phones to watch TV, download songs, receive information and access content, such as sports, news and weather, at broadband speeds Mobile phones are providing consumers with a personal computer-type broadband experience Additionally, I applaud the competitive wireless industry for beginning to invest the necessary capital that permits consumers the flexibility to pull the content of their choice at the time and place of their choice

At the same time, prices are decreasing. Our report estimates that revenue per minute (RPM) declined 22 percent last year alone. RPM currently stands at \$0.07, as compared with \$0.47 in December 1994 – a decline of 86 percent. This is great news for consumers.

I am delighted that the trend is positive, and I will continue to watch with great interest future developments in the wireless industry